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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Asst. Director, Research and Reports                      DATE:

FROM : Organization and Methods Service

SUBJECT: Economic Intelligence Initiation and Control Throughout ORR

1. In accordance with your approval granted in memorandum of 8 December 1952 this office has undertaken a survey to ascertain the effectiveness of project initiation and control for economic intelligence throughout the various components of ORR.

2. PROBLEM.

A. Under the present organizational framework of ORR there does not exist any one component that is actually handling the receipt of economic intelligence production requests, determination of basic research program, determination of suitability of acceptance of production responsibility, frame of reference, order of priority, establishment of deadlines, assignment, consolidation, review, editing, publication, and dissemination for all types of ORR produced economic intelligence. These responsibilities are currently spread amongst numerous components under the present organizational framework although it was intended, by direction, that D/R be the controlling point for ORR produced intelligence. Lack of a central facility has created confusion and frustration in the minds of ORR personnel, who have evidenced a desire for the most productive effort for the minimum amount of time expended, however, the present organizational set-up precludes the possibility of proper channelization of economic intelligence productivity.

B. Attached as Exhibit "A" are the present procedural flows of the more important steps of economic intelligence production responsibility assigned to the Office of Research and Reports, examination of these flow diagrams clearly indicates the small portion of ORR productivity for which D/R exercises any responsibility, they do however illustrate the many types of control responsibilities exercised by the various organizational segments.

C. It is understood that you desire in the near future a system devised whereby not only full and comprehensive knowledge of the initiation of intelligence production can be at your disposal, but also the status of basic or special research for any and all types of ORR activity. Lacking a central facility wherein all intelligence requests are received, all project initiation is controlled, and all review and handling are affected, the fulfillment of your request would be extremely difficult and time-consuming.

3. FACTS BEARING ON THE PROBLEM.

A. The reports and recommendations contained within the memorandum dated 14 February 1952 from the chairman, committee on EIC and ONE support

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tend to supplement our conclusions that the need exists for centralization of responsibilities for project initiation and control within ORR.

B. It is our considered opinion, however, that the reports and recommendations of the above mentioned committee should have included that support given by the Intelligence Working Group to the Economic Defense Advisory Committee. A great deal of heretofore allocated time toward building the basic research floor from which intelligence is more easily produced has been devoted to the satisfaction of requests through the IWG mechanism for EDAC. The support given to EDAC should by all means be considered an integral part of ORR operational activities and as such, not only should it be planned and coordinated but allocations should be made for this support as a part of the workloads of the Economic Research Divisions.

#### 4. DISCUSSION

A. The current mechanism for instituting projects within ORR provides for the Chief of Coordination acting in his capacity as ORR - ONE liaison officer to levy on to any component within either the Economic Research Divisions or the Geographical Research Divisions a responsibility for economic intelligence production either for ONE support or through the mechanism of EIC. Both of these types of workloads are presently not considered within the framework of the basic research program of the Economic Research Divisions. If, by chance, these workloads consist of cross-the-board economic studies encompassing large areas or all-inclusive subjects, this production is handled by the Analysis Division whose effort likewise is not reported or controlled through the mechanism of a control system. The requests levied by EDAC to the Economic Defense Division are additional workloads which are not controlled so far as project initiation or extent of activity through any centralized system.

B. While it has been stated, and is reasonably correct, that the EDAC-IWG products are for the most part working papers and not identified as CIA productivity, there nonetheless, remains no central facility for the editorial format and review of all segments of ORR economic intelligence production.

C. It is fully appreciated that there is a differentiation for the most part, between the spontaneous type of intelligence production currently produced by or for the Economic Defense Division as compared with the long-range type of production produced for the large part by the Economic Research Divisions, however, this distinction does not seem sufficient to justify the dispersal of analytical personnel within both the Economic Division and the Economic Research Divisions. There is, to a large extent, a similarity between the working mechanisms of the IWG of EDAC and the operations of EIC. Assuming that this responsibility for EDAC could be handled more effectively by the assignment of projects

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and the exercise of controls by a central facility, it logically follows that the analytical personnel within the Economic Defense Division could be re-assigned within the proper Divisions of Economic Research.

##### 5. RECOMMENDATIONS

A. It is recommended that the present organizational structure of ORR be realigned as attached Exhibit "B".

B. The functional responsibilities of the Coordination Staff and its divisional components are attached as Exhibit "C". Having this coordination staff in the suggested organizational position as an arm of the DAD/RR provides for the controls required for all phases of economic intelligence production that will be required for use and policy determination by the office of the AD. It is recommended that the Coordination Staff be comprised of senior members as indicated in the attached chart so that full utilization of all ORR components can be mustered for the fulfillment for both the basic research program and the special economic intelligence production required of ORR. (See proposed flow Exhibit "D")

C. The EDAC-(IWG) secretariat a member of the coordination staff fulfills his responsibility to the AD and the Economic Defense Advisory Committee by channeling his production so that it becomes an official responsibility of the Economic Research Divisions who have been serving him in the past on a catch-as-catch-can basis. The personnel currently assigned to the Economic Defense Division should be integrated within those components of Economic Research as are both desired and are needed to effectively support our responsibilities in this program.

D. The newly constituted Production Support Staff of Economic Research whose functions are attached as Exhibit "E" is generally charged with the responsibility of internal economic research consolidation of productivity among the several divisions. This organization should also contain the estimates file formerly maintained by D/A together with those personnel determined essential by the Chief, Economic Research to provide adequate strength for this staff. The remaining personnel formerly attached to D/A should be integrated within the several divisions of Economic Research where they can be most effectively assigned and used.

  
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